

**REMARKS**

**SUMMARY**

Claims 1-6, 8, and 10 are pending. Claims 7 and 9 have been previously canceled without prejudice.

Claims 1-6, 8, and 10 have been rejected under 35 U.S.C. § 112 as allegedly failing to comply with the written description requirement. Claims 1 and 3 have been rejected under 35 U.S.C. § 102(e) as being anticipated by Paltenghe U.S. Patent Application Publication No. 2002/0004783 (“Paltenghe”). Claims 2, 4-6, 8, and 10 have been rejected under 35 U.S.C. § 103(a) as allegedly unpatentable over *Paltenghe*, further in view of Chaum, U.S. Patent No. 6,434,238 (“Chaum”).

**APPLICANT’ RESPONSE**

In this Response, Applicant presents arguments concerning the patentability of claims 1-6, 8, and 10 to address the Examiner’s rejections. Applicant’s silence with regard to any aspect of the Examiner’s rejections of the dependent claims constitutes recognition by the Applicant that the rejections are moot based on Applicant’ remarks relative to the independent claim from which the dependent claims depend.

Applicant has amended claims 1, 3, 4, and 10 to correct minor typographical errors and to better clarify the claimed subject matter. No new matter is introduced by virtue of these amendments.

**35 U.S.C. § 112 REJECTIONS**

The examiner asserts that the feature, “a non-chip card issued by an issuer institution having legacy infrastructure supporting only non-chip card transactions” of claims 1, 3, 6, and 8 is not found in the specification. Support for the claim language was found in at least

paragraphs [0015] and [0016]. Nevertheless, Applicant has amended the claims to remove this feature. Applicant's amendment has been made to most swiftly expedite prosecution and is not meant to concede that the application does not describe this feature. The examiner's rejection of dependent claims 2, 4, 5, and 10 is based on the rejection of the respective independent claim from which the dependent claim depends. Accordingly, claims 1-6, 8, and 10 comply with all requirements of 35 U.S.C. § 112, and Applicant request withdrawal of the rejections thereto.

### **35 U.S.C. § 102 REJECTIONS**

“A claim is anticipated only if each and every element as set forth in the claim is found, either expressly or inherently described, in a single prior art reference.” *Verdegaal Bros. v. Union Oil Co. of California*, 814 F.2d 628 (Fed. Cir. 1987). “[U]nless a reference discloses within the four corners of the document not only all of the limitations claimed but also all of the limitations arranged or combined in the same way as recited in the claim, it cannot be said to prove prior invention of the thing claimed and, thus, cannot anticipate under 35 U.S.C. § 102.” *Net Moneyin, Inc. v. Verisign, Inc.*, 21827, 21854, No. 2007-1565 (Fed. Cir. 2008) (denying anticipation argument where support for claim limitations drawn from two different examples).

### **Claim 1**

The claimed subject matter is directed to methods and systems for conducting payment transactions over a computer network between a customer and a merchant. The payment transaction is facilitated by a third party (e.g., a wallet server). Whether or not the customer uses a chip card or non-chip card to pay, the wallet server facilitates the payment transaction with the merchant using techniques that are compliant with a chip card electronic commerce protocol.

As amended, claim 1 recites, in part, “in response to the request, conducting the *payment* transaction by the remote wallet server with the merchant computer *in a format compliant with a*

*chip card electronic commerce* protocol or specification *independent* of the form of the payment card as a *chip card or a non-chip card*” (emphasis added).

**THE TERM “IRRESPECTIVE”**

The Examiner alleges that the term “irrespective” was an improper negative limitation. Applicant have amended claim 1 to better clarify the claimed subject matter. Applicant’s amendment is not intended to relinquish any subject matter. Instead, the amendments are made to most swiftly expedite prosecution.

**CHIP CARDS AND CHIP CARD ELECTRONIC COMMERCE PROTOCOLS  
OR SPECIFICATIONS**

In the office action dated November 17, 2006 (“November 2006 Office Action”) (referenced from the final office action dated May 4, 2007 (“May 2007 Office Action”)), the Examiner alleges that paragraph [0071] of *Paltenghe* describes that the “system uses chip cards along with the wallet server and the merchant server to complete the transaction.” November 2006 Office Action, p. 4. Applicant submits that *Paltenghe* fails to describe “conducting the payment transaction...in a format compliant with a chip card electronic commerce protocol or specification *independent of the form of the payment card as a chip card or non-chip card*” as contemplated by claim 1.

Nothing in the cited portion describes or suggests the use of non-chip card accounts to conduct chip card electronic commerce payment transactions through a wallet server as contemplated by claim 1. Paragraph [0071] of *Paltenghe* merely describes that the wallet owner selects the method of payment and signs the invoice receipt. The wallet server then exchanges the wallet owner’s account number, the amount of the payment, and the authorizations with the merchant server. Accordingly, nowhere in the cited portion does *Paltenghe* mention the use of non-chip cards to complete payment transactions intermediated by the wallet server. Instead,

paragraphs [0092]-[0094] of *Paltenghe* exemplify the three functions of smart cards contemplated by the reference. Paragraph [0092] describes a smart card used as a stored value purse, paragraph [0093] describes the smart card used as a traditional magnetic stripe card, and paragraph [0094] describes the use of the smart card as a token to gain access to the wallet server.

The cited portion also mentions the use of the SET protocol to exchange the foregoing information with the merchant server. However, a mere reference to the SET protocol cannot be said to teach or suggest the use of non-chip cards for carrying out a payment transaction in a format compliance with a chip card electronic commerce protocol as contemplated by the amended claim 1. The SET protocol is a set of security protocols that “enables users to employ the existing credit card payment infrastructure on an open network in a secure fashion.”

Wikipedia, “Secure Electronic Transaction”

([http://en.wikipedia.org/wiki/Secure\\_electronic\\_transaction](http://en.wikipedia.org/wiki/Secure_electronic_transaction)). *See also* specification ¶ [0006].

Accordingly, nothing in *Paltenghe* or the SET protocol describes or suggests conducting a payment transaction intermediated by a wallet server using a non-chip card as contemplated by claim 1.

In addition, nothing in *Paltenghe* describes “conducting the payment transaction...in a format compliant with a chip card electronic commerce protocol or specification” as contemplated by claim 1. Again, the description of the SET protocol in *Paltenghe* fails to show or suggest this feature. The SET protocol merely provides security for existing payment protocols conducted over an open network. *Id.* As such, the SET protocol cannot be said to show, literally or inherently, or suggest a chip card electronic commerce protocol or specification as contemplated by claim 1.

The Examiner also contends that paragraph [0097] of *Paltenghe* describes chip and non-chip card technologies and, apparently, that this disclosure anticipates “conducting the payment...

independent of the form of the payment card as a chip card or a non-chip card” of claim 1.

Paragraph [0097] describes that the virtual wallet contains cash information, credit card information, certificates, and SET certificates. Nothing in the mere disclosure of cash, credit cards, certificates, or SET certificates (in conjunction with the foregoing SET protocol arguments) can be said to literally or inherently describe or suggest carrying out a transaction in a format compliance with a chip card electronic commerce protocol with a non-chip card. Therefore, the embodiments related to [0097] cannot be said to describe the relevant claim element.

In addition, nothing in the examples related to [0071] describes non-chip cards used in wallet server intermediated payment transactions. Paragraph [0071] merely describes that the wallet owner “selects the method of payment” but fails to describe what these methods include.

Accordingly, nothing in *Paltenghe* teaches or suggests conducting a payment transaction independent of the form of the payment as a chip card or non-chip card. as contemplated by claim 1.

**EXAMINER’S SUPPORT FAILS TO SHOW ELEMENTS ARRANGED AS IN**

**THE CLAIMS**

The Examiner’s juxtaposition of disclosure allegedly describing “us[ing] chip cards along with the wallet server and the merchant server to complete the transaction” (November 2006 Office Action, p. 4 and “non-chip protocols” and “chip card technologies” (*Id.* \*p.4) fails to show the claimed features “arranged or combined in the same way as recited in the claim.” *Net Moneyin*, 2008 U.S. App. LEXIS 28254. As in *Net Moneyin*, makes clear, it is inappropriate to draw support from disparate examples in support of an anticipation argument. As shown above, the example related to [0097] specifically identifies that the smart card is used as a stored value purse ([0092]), a traditional magnetic stripe card ([0093]), and a token that allows a user to gain access to the server where the actual applications reside ([0094]). None of the uses of the smart

card in this example describes the use of a chip card or non-chip card as contemplated by claim 1. Therefore, nothing in the cited examples includes all of the elements of claim 1 arranged according to the claim.

Accordingly, nothing in *Paltenghe* describes or suggests the recited features of claim 1. Applicant request withdrawal of the rejections thereto.

CLAIMS 3, 6, and 8

Claims 3, 6, and 8 include some similar features as claim 1 and are, at least on the basis of the foregoing arguments, allowable. Applicant likewise request withdrawal of the rejections thereto.

**35 U.S.C. § 103 REJECTIONS**

Claim 2 depends from claim 1, claims 4-5 depend from claim 3, and claim 10 depends from claim 8. At least because of their dependence from their respective independent claims, claims 2, 4-5, and 10 are allowable for the foregoing reasons. Applicant requests withdrawal of the rejections thereto.

**CONCLUSION**

Applicant respectfully submit that this application is now in condition for allowance.

Reconsideration and prompt allowance of which are respectfully requested.

The Examiner is invited to contact the undersigned at (212) 408-2517 if any additional information or assistance is required.

Applicant believe that no additional fee is due in connection with the filing of this response other than the fee for the three month extension. If any additional fee is due, or overpayment made, with regard to this response, Applicant authorize the Director to charge any such fee, and credit any overpayment, to Deposit Account No. 02-4377.

Respectfully submitted,

BAKER BOTTS L.L.P.

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Date



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